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CENTRAL INTELLIGENCE AGENCY

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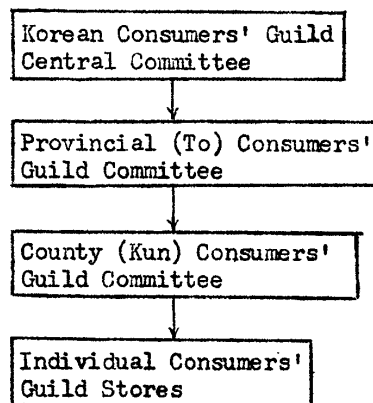
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Structure1. Organizational System

Following is chart of the consumers' guild system in North Korea:



The Korean Consumers' Guild Central Committee is directed and supervised by the North Korean Ministry of Commerce.

2. Organization of Ch'ongdan-gun Consumers' Guild Committee

A county (Kun) consumers' guild committee directs and supervises the consumers' guild stores under its jurisdiction.

A. Structure

Following are the names and functions of the component posts of the Ch'ongdan-gun Consumers' Guild Committee:

1) Posts

Chairman
Vice-Chairman
Bookkeeping Section
Planning Section
Business Section
Organizational Section
Warehouse Chief
Purchasing Station

2) Functions of Major Posts

a) Planning Section: This section establishes all types of plans concerning procurement and consumption of necessary commodities for the residents of various districts in the county (Kun). The plans established by this section are:

1) Plans for commodity sales stores, 2) self-purchasing plans, 3) purchasing plans for the purchasing station, 4) restaurant management plans, 5) barber-shop management plans, 6) and tailor shop management plans.

b) Business Section: This section receives allocated commodities from the provincial (To) consumers' guild committee, and, in turn, allocates and distributes the commodities to the subordinate consumers' guild stores.

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- c) **Organizational Section:** This section, manned by an organizational director, controls and directs all party members under the jurisdiction of the county (Kun) consumers' guild committee. Each county (Kun) consumers' guild consists of a labor party cell. In other words, all party-member-employees, both clerical and manual, of the consumers' guild stores, barber-shops, tailor shops, purchasing stations, and other shops in various villages are affiliated with the county (Kun) consumers' guild committee cell. Therefore, instead of attending their village cell meetings, these party-member-employees attend the meetings of the county (Kun) consumers' guild committee cell in Ch'ongdan-up.
- d) **Purchasing Station:** This station purchases grain left in the possession of farmers after they have paid their tax-in-kind and water-tax. This purchasing station seems to be receiving purchasing quotas from the provincial (To) consumers' guild committee.

3) Number of Personnel

Following is the personnel status of each post of the Ch'ongdan-gun Consumers' Guild Committee:

<u>Post</u>	<u>Number of Employee</u>	<u>Breakdown</u>
Chairman	1	
Vice-Chairman	1	
Bookkeeping Section	5	1 chief; 4 members
Planning Section	2	1 chief; 1 member
Business Section	3	1 chief; 2 members
Warehouse	1	1 chief
Ox-Cart Drivers	3	3 ox-cart drivers
Purchasing Station	10	(see next paragraph)
Organizational Section	1	1 chief

Personnel of Purchasing Station, Ch'ongdan-gun Consumers' Guild

<u>Post</u>	<u>Number of Employee</u>	<u>Breakdown</u>
Chief	1	
Bookkeeping Section	1	1 chief
Business Section	3	1 chief; 2 members
Warehouse	1	1 chief
Ox-Cart Drivers	4	4 drivers

4) Salary

<u>Title</u>	<u>Amount (Won)</u>
Chairman	3,500
Vice-Chairman	3,000
Section Chief	1,400
Section Member	1,100

B. Consumers' Guild Stores

1) Stationing

The following shows the names and locations of the consumers' guild stores (including a restaurant and 3 barber-shops) of the Ch'ongdan-gun Consumers' Guild Committee:

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<u>Store Name</u>	<u>Location</u>
Chakch'ŏn Store	YC 456161, (Chakch'ŏn-ni)
Ch'ilbong Store	YC 540190, (Ch'ilbong-ni)
Tongun Store	YC 607175, (Tongun-ni)
Tongdae Store	BT 397180, (Tongdae-ri)
Yongp'o Store	YC 5858031, (Yongp'o-ri)
Ch'ŏngdan Store	Ch'ŏngdan-ŭp
Kuwŏl Store	YB 562943, (Kuwŏl-li)
Namch'on Store	YB 540990, (Namch'on-ni)
Kumhak Store	YC 507046, (Kumhang-ni)
Changbeng Store	YC 475088, (Changbang-ni)
Yongyang Store	YC 440103, (Yongyang-ni)
Unknown	Hwayang-ni
Unknown	Kalsan-ni

There is a restaurant and three (3) barber-shops in the Yongp'o-ri given above.

The Consumers' guild stores within Ch'ŏngdan-gun are located very close to their respective district (Ri) people's committees. The reason for this is that the district (Ri) people's committees are the center of business transactions in their respective districts (Ri). Of the consumers' guild stores, the one which is located the farthest from its respective district (Ri) people's committee has a distance of approximately 500 meters between itself and the district (Ri) people's committee.

2) Organization of Consumers' Guild Store

A consumers' guild store is manned¹ by a responsible man (Chairman),² at accountant, and a salesman.

3) Ch'ŏngdan-ŭp Consumers' Guild Store Restaurant

The Ch'ŏngdan-ŭp Consumers' Guild Store Restaurant is manned by a manager, an accountant, a teller, a cook, and two (2) waitresses.

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Business3. Receiving and Distribution of Stock

- A. The county (Kun) consumers' guild committee first receives a directive on the allocation of certain commodities from the provincial (To) bazaar³, before the delivery of the commodities.⁴ After storing the commodities in the warehouse, the warehouse chief sends a commodity account statement to the Business Section, reporting on the quantity of the warehoused commodities and expenses involved.

Two (2) accountants of the Business Section next prepare a "purchasing resolution", in duplicate, on the basis of the commodity account statement. After receiving approval from the chiefs of the Business Section, Bookkeeping Section, Planning Section, and the vice-chairman and chairman, one (1) copy of the purchasing resolution is kept at the Business Section, and the other at the Bookkeeping Office.

After making up the purchasing resolution, a commodity allocation list is drawn up in four (4) copies. Allocation of commodities is conducted according to the "p'ondū"⁵ (phonetic) of each district (Ri). The allocation list needs to be approved by the chiefs of the Business Section, Planning Section, Bookkeeping Section, and the chairman and vice-chairman. After the approval, the Business Section, Planning Section, Bookkeeping Section, and the Warehouse respectively keep one (1) copy of the allocation list. The same type of sanctioning procedure is required in drawing up the commodity account statement which includes a cost accounting. The commodity account statement is also prepared in four (4) copies, and the Business Section, Bookkeeping Section, Warehouse, and each relevant store each keep a copy.

- B. Given below are the forms of the purchasing resolution, commodity allocation list, and the commodity account statement:

1) Form of Purchasing Resolution

No. _____

Chairman	Vice-Chairman	Chief Book-keeper	Chief, Business Section	Accountant

To: _____

Purchasing Resolution

Article	Unit	Unit Price	Quantity	Purchasing Cost		Purchasing Tax		Price Difference		Amount	Remarks
				Unit Price	Amount	%	Amount	Unit Price	Amount		
Total											

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To: _____

Chairman	Vice-Chairman	Chief Book-keeper	Chief, Planning Section	Chief, Business Section	Accountant

Commodity Allocation List[illegible]

3) Commodity Account Statement

To: Store

Chairman	Vice-Chairman	Chief Bookkeeper	Chief, Business Section	Accountant

Commodity Account Statement

[illegible]

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4. Bank Accounts

The county (Kun) consumers' guild committee maintains an account with the Central Bank. There is a farmers' bank in Ch'ongdan-up, but this bank has no business relations with the county (Kun) consumers' guild committee.

5. Audit Report, Direction, and InspectionA. Month-End Audit Report

The county (Kun) consumers' guild conducts a monthly auditing at the end of each month. That is, employees from the county (Kun) consumers' guild committee make a trip to each consumers' guild store, and, based on the account books, investigate and report on the status of goods allocated and the status of cash reserves against the commodities sold. This is known as the "month-end auditing". The Planning Section Plays the leading role in this audit, but, usually, all members of the county (Kun) consumers' guild committee are mobilized for this project.

B. Direction & Inspection Project

This is, in essence, an investigation, by the county (Kun) consumers' guild committee, of any malfeasance committed by each store. To be precise, the county (Kun) consumers' guild committee investigates to see if any favoritism has been shown for the members of the consumers' guild in the distribution of materials and if there has been any diversion of funds, as well as the activities of individual members of the store.

6. Sales Prices

<u>Item</u>	<u>Price (Wōn)</u>
Sheeting, cotton, deep blue, Chinese, meter, 1	450
Sheeting, cotton, khaki, Chinese, meter, 1	430
Sheeting, cotton, white, Chinese, meter, 1	450
Cloth, hemp, North Korean, meter, 1	350
Cloth, hemp, North Korean, meter, 1	380
Cloth, cotton, "Sinch'ōn" label, meter, 1	150
Sheeting, cotton, coarse, meter, 1	150
Sheeting, cotton, coarse, meter, 1	200
Hemp, meter, 1	150
Cloth, wool, imported, meter, 1	450
Rayon, North Korean, meter, 1	350
Suit, cotton, black, 1	3,000
(Those given above were the only commodity items available in Ch'ongdan.)	
Shirt, red, Chinese, 1	1,500
Shirt, red, Chinese, 1	1,700
Shirt, red, Chinese, 1	1,400
Underwear (pants), red Chinese, 1	1,400
Underwear (pants), red Chinese, 1	1,500
Underwear (pants), red Chinese, 1	1,700
Sweater, for women, red Chinese, 1	1,700
Socks, Chinese, pair	300
Socks, North Korean, pair	120-150
Towel, Chinese, 1	300
Towel, Chinese, 1	350
Towel, North Korean, 1	180
Shirt, sky blue, Chinese, 1	3,500
Shirt, sky blue, Chinese, 1	1,500
Shirt, T, North Korean, 1	300-450
Shirt, running, North Korean, 1	800

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Item	Price (Wōn)
Shoes, rubber, black, for male, "Suyangsan" label, pair, large	700
Shoes, rubber, black, for male, "suyangsan" label, pair, medium	400
Shoes, rubber, black, for male, "Suyangsan" label, pair, small	350
Shoes, rubber, black, for female, "Suyangsan" label, pair large	600
Shoes, rubber, black, for female, "Suyangsan" label, pair large	450
Shoes, rubber, black, for female, "Suyangsan" label, pair medium	400
Shoes, rubber, black, for female, "Suyangsan" label, pair small	300
Shoes, rubber, white, for female, "Tuman'gang" label, pair	1,500
Shoes, sports, white, Chinese, pair	600
Shoes, sports, indigo, Chinese, pair	700
Shoes, sports, khaki, Chinese, pair	700
Sneakers, for male, Chinese, pair	450
Shoes, basketball, indigo, Chinese, pair	1,100
Socks, Czechoslovakia, pair	800
Socks, Czechoslovakia, pair	1,000
Socks, Czechoslovakia, pair	1,400
Socks, Czechoslovakia, pair	1,500
Soap, Chinese, cake, 1	300

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2.

Comment: The Kūmsan-myōn Consumers' Guild Store is one of the lowest level consumers' guild stores. The man in charge of this store can be called "chairman" (Wiwōn-jang), but his official title is "responsible man" (Ch'aegim-ja). The title "chairman" had been used prior to the large scale retreat of the People's Armed Forces in 1950, but the title "responsible man" have been used officially since 1951. The title "chairman" is still used by the general public just to convey their feeling of respect.

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3.

Comment: It is not known what this "bazaar" is exactly, but it is presumed that this is a provincial (To) level organization related to the consumers' guild.

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4.

Comment: Directives, from the Ministry of Commerce, on commodities for sales, are delivered to each provincial (To) consumers' guild committee, through the Consumers' Guild Central Committee, either directly or via the commerce department of the provincial (To) people's committee.

5.

Comment: The word "P'ondū" is the remanization of the English word "pound," and as such, is used as a "proportional index" in the allocation of commodities according to the established ratio of each of the 13 district (Ri) in Ch'ongdan-gun.

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